

Syllabus

ECON 184: Economic Development in Africa

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Spring 2008

General information

Time and location: TR 9:40-11:00am BOYHL 1471
Office hours: T 2-3pm, W 11am-12pm (4108 Sproul Hall)
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Prerequisites

ECON 102A or ECON 103A or instructor's approval.

Course description

This course will examine major current issues in development economics with special emphasis on how they relate to Sub-Saharan Africa. The course will combine macroeconomic (e.g. growth determinants, structural adjustments) and microeconomic issues (e.g. health, human capital, poverty dynamics) as well as institutional explanations for the lack of economic growth in the region. The course will pay particular attention to the policy implications from each of the topics covered here.

Requirements and grading

All assignments mentioned below must be turned in at the beginning of the class or left in my office before the class meets. Only under extreme circumstances (such as medical emergencies) will late assignments be accepted at the discretion of the instructor. The dates for all exams (once established) and assignments are final.

Two problem sets	5% each.
One midterm (May 1st)	25%.
One presentation (in groups)	10%.
One 15-page paper due May 29	25%.
One final (Friday June 13, 09:00 - 11:00A.M.)	30%.

The topics and guidelines for the paper and the presentation (e.g., goals and structure) will be distributed later in the quarter.

Textbooks

Required

- Easterly, William (2002) *The Elusive Quest for Growth: Economists' Adventures and Misadventures in the Tropics*. The MIT Press. ISBN: 978-0262550420. [HC59.72.P6 E17 2001]
- Kevane, Michael (2004) *Women and Development in Africa: How Gender Works*. Lynne Rienner Publishers. ISBN: 978-1588262387. [HQ1240 5 A35 K48 2004]
- Collier, Paul (2007) *The Bottom Billion* [HC79.P6 C61 2007]

Suggested

- Banerjee, A., R. Bènabou, and D. Mookherjee (2006) *Understanding Poverty*. Oxford University Press. ISBN: 978-0195305203. [HC79.P6 U534 2006].

For daily online news from Africa, refer to the BBC or to All-Africa News. Background information for African countries is available at the World Factbook. The Economist also keeps a country brief including a limited number

of African countries. For an economic journal on African issues visit the Journal of African Economies.

Plagiarism

The appropriate ways for referencing the material used to write the paper will be discussed in class. Any student found committing plagiarism, not handing in original work of his/her own, or cheating, will be given an **F** in the course and will be subject to disciplinary action by the University.

Course outline and readings

Each of the following topics should take us one week, on average. The [*] symbol indicates the required readings. All others are suggested but some/most of them will be covered in class.

I. Patterns of economic development in Africa

- [*] Kevane, M. (2004). Chapter 2: Explaining Underdevelopment in Africa.
- [*] Cooper, Frederick. (2002). *Africa since 1940: The Past of the Present*, pp. 91-118.
- Ndulu, B. (2007) Chapter 2: Africa's Long-Term Growth Experience in a Global Perspective in *Challenges of African Growth. Opportunities, Constraints and Strategic Directions*. World Bank.
- United Nations Development Program (UNDP). (2006). Human Development Report 2006, Table 1 and Table 14, pp. 283-286 and 331-334.
- Moss, T. (2007) *African Development: Making Sense of the Issues and Actors*, Chapters 1-3.

Statistical analysis

- [*] Kevane, M. (2004). Appendix: Tools for analysis, pp. 205-212.

- [*] Meier, Gerald and James Rauch (2005) “Appendix: How to read a regression table” in *Leading Issues in Economic Development* 8th edition. Oxford: Oxford University Press. 2005.

II. Economic growth: capital accumulation

- [*] Perkins, D., S. Radelet, D. Snodgrass, M. Gillis, and M. Roemer (2001) Chapter 2: Economic Growth, pp. 52-82 in *Economics of Development*, Fifth Edition. Norton.
- [*] Easterly (2002). Chapter 3: Solow’s Surprise: Investment is Not the Key to Growth.
- Collier, P. and J.W. Gunning (1999) Explaining African Economic Performance *Journal of Economic Literature*, 37(1):64-11, March.
- Artardi, E. and X. Sala-i-Martin (2003) “The Economic Tragedy of the 20th Century: Growth in Africa”, NBER Working Paper No. 9865.
- Collier, P. and J. W. Gunning. (1999) “Why has Africa Grown Slowly?” *Journal of Economic Perspectives*, (13):3-22.

III. Economic growth: geography vs. institutions

- [*] Sachs, J. (2005). *The End of Poverty: Economic Possibilities for Our Time*, Chapter 3, pp. 51-73.
- Collier, P. (2007) Chapters 3-5.
- Bloom, D. and J. Sachs. (1998). “Geography, Demography, and Economic Growth in Africa” *Brookings Papers on Economic Activity*, 2, 207-295.
- [*] Acemoglu, D., S. Johnson and J. Robinson (2006). “Understanding prosperity and poverty: Geography, institutions and the reversal of fortune” in *Understanding Poverty*, Benerjee, Benabou and Mookherjee (eds.), pp. 19-35.
- Engerman, S. and K. Sokoloff (2006). “Colonialism, inequality and long-run paths of development” in *Understanding Poverty*, Benerjee, Benabou and Mookherjee (eds.), pp. 37-62.

IV. Agriculture and land tenure

- [*] Binswanger, H. and Townsend, R. (2000) “The Growth Performance of Agriculture in Sub-Saharan Africa” *American Journal of Agricultural Economics*, 82(5):1075-1086,
- [*] Kevane, M. (2004). Chapter 4: The Land Tenure Rights of African Women.
- Ruttan, W. (2002) “Productivity Growth in World Agriculture: Sources and Constraints” *The Journal of Economic Perspectives*, 16(4):161-184, Autumn. Proceedings Issue. (December), pp. 1075-1086.
- Goldstein and Udry (2006) “Addressing Unequal Economic Opportunities: A case study of land tenure in Ghana” *World Bank Development Outreach* February.

V. Poverty and inequality

- [*] Ray, D. (1998) *Development Economics*, p.173-193 and 250-256.
- [*] Deaton, A. (2006) “Measuring Poverty” in *Understanding Poverty*, Benerjee, Benabou and Mookherjee (eds.), pp. 19-35.
- World Bank (2006) *World Development Report. Equity and Development*, Overview and chapter 2.
- Chronic Poverty Report 2004-05, Chapters 1-5, 6 and 11, The Chronic Poverty Research Centre.
- Carter, R. and J. May (2001) “One Kind of Freedom: Poverty Dynamics in Post-apartheid South Africa” *World Development*, 29(12):1987-2006, December.

VI. Insurance and shocks

- [*] Kevane, M. (2004). Chapter 10: Development Projects for Women.
- [*] Udry, C. (1990). “Credit Markets in Northern Nigeria: Credit as Insurance in a Rural Economy” *World Bank Economic Review*, 4(3), 251-269.

- Hoddinott, J. (2006). “Shocks and Their Consequences Across and Within Households in Rural Zimbabwe” *Journal of Development Studies* 42(2):310-321.
- Case, A., R. Townsend, J. Morduch and T. Besley, (1995) “Symposia: Consumption Smoothing in Developing Countries,” *The Journal of Economic Perspectives*, 9(3): 81-127, Summer.
- Dercon, S.; J. Hoddinott and T. Woldehanna (2005) “Shocks and Consumption in 15 Ethiopian Villages, 1999-2004,” *Journal of African Economies*, 14(4):559-585.

VII. Health and education

- [*] Kevane (2004) Chapters 8 and 9.
- Gordon, A. A., and D. L. Gordon (eds.). (2007). *Understanding Contemporary Africa* (4th Edition), pp. 223-230.
- Fox, M., et al. (2004). “The Impact of HIV/AIDS on Labour Productivity in Kenya” *Tropical Medicine and International Health*, 9(3), 318-324.
- Schultz, T.P. (1999) “Health and Schooling Investments in Africa” *The Journal of Economic Perspectives*, 13(3):67-88, Summer.
- [*] Easterly (2002) Chapter 4: Education for What?
- Schultz, T.P. (2004) “Evidence of Returns to Schooling in Africa from Household Surveys: Monitoring and Restructuring the Market for Education” *Journal of African Economies* (13) 95-148.

VIII. The economics of conflict, war and corruption

Economic Theories of Conflict

- [*] Garfinkel, M. and S. Skaperdas. (2006). “Economics of Conflict: An Overview”, forthcoming chapter in *Handbook of Defense Economics*, (eds.) T. Sandler and K. Hartley.

- [*] Collier, P. et al (2003) *Breaking The Conflict Trap : Civil War And Development Policy*, chapters 1-4.
- Collier, P. (2007), Chapters 2 and 5.
- Grossman, H. I. (1991). “A General Equilibrium Model of Insurrections”, *American Economic Review*, 81(4):912-921.
- Powell, Robert. (2006). “War as a Commitment Problem”, *International Organization*, 60, 169-203.

War and Economic Development

- [*] Blattman, C. (2006). “Child soldiers and labor market outcomes: Findings from the Survey of War-Affected Youth in Uganda”, unpublished working paper, U.C., Berkeley.
- [*] Miguel, E., S. Satyanath, and E. Sergenti (2004). “Economic Shocks and Civil Conflict: An Instrumental Variables Approach”, *Journal of Political Economy*, 112(4), 725-753.
- Davis, D. R. and D. Weinstein. (2002). “Bones, Bombs, and Breakpoints: The Geography of Economic Activity”, *American Economic Review*, 92(5): 1269 - 1289.

Corruption

- [*] Svensson, J. (2005) “Eight Questions about Corruption” *Journal of Economic Perspectives*, 19(3): 19-42, Summer.
- Mauro, P. (1995) “Corruption and Growth” *The Quarterly Journal of Economics*, 110(3), 681-712.
- [*] Banerjee, A. (1997), “A Theory of Misgovernance,” *Quarterly Journal of Economics* 112(4), 1289-1332.
- Bardhan, P. (1997), “Corruption and Development: A Review of Issues,” *Journal of Economic Literature* 35, 1320-1346.

Figure 1: Map of Africa

